

Fiscal 2007 First Half Financial Results

October 27, 2006

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*Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, "fiscal 2007" or "FY 2007" refers to the year ending March 31, 2007.*

Summary

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- 1. In the first half, profit were up for the fifth consecutive year, and sales were the record highest in history**
- 2. First half operating profit reached the highest in 16 years**
- 3. Second quarter operating profit hit a record-high, while achieving a high operating profit rate of 6.3%**

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2. Sales and profit by segment
3. Pre-tax and net income analysis
4. Inventories and capital investment

Fiscal 2007 Second Quarter Results

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(yen: billions)

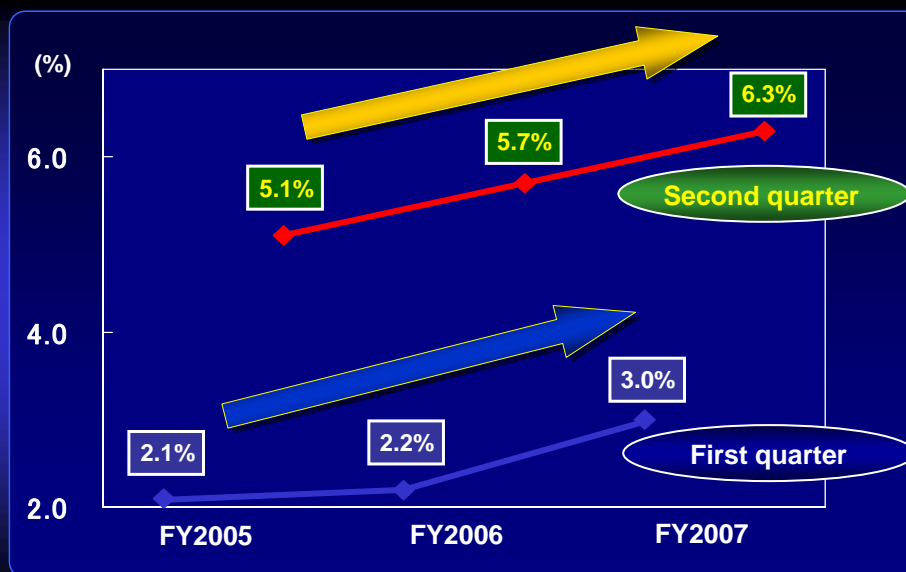
	FY07 Second Quarter	FY06 Second Quarter	vs.FY06
Sales	2,252.6	2,211.0	+2%
Domestic	1,118.2	1,109.0	+1%
Overseas	1,134.4	1,102.0	+3%
Operating profit	142.3	125.1	+14%
Pre-tax income	157.1	87.9	+79%
Net income	79.3	31.0	+156%

Fiscal 2007 First Half Results

(yen: billions)

	FY07 First Half	FY06 First Half	vs. FY06
Sales	4,389.5	4,259.2	+3%
Domestic	2,180.1	2,173.7	±0%
Overseas	2,209.4	2,085.5	+6%
Operating profit	207.4	171.1	+21%
Pre-tax income	232.5	154.1	+51%
Net income	115.1	64.4	+79%

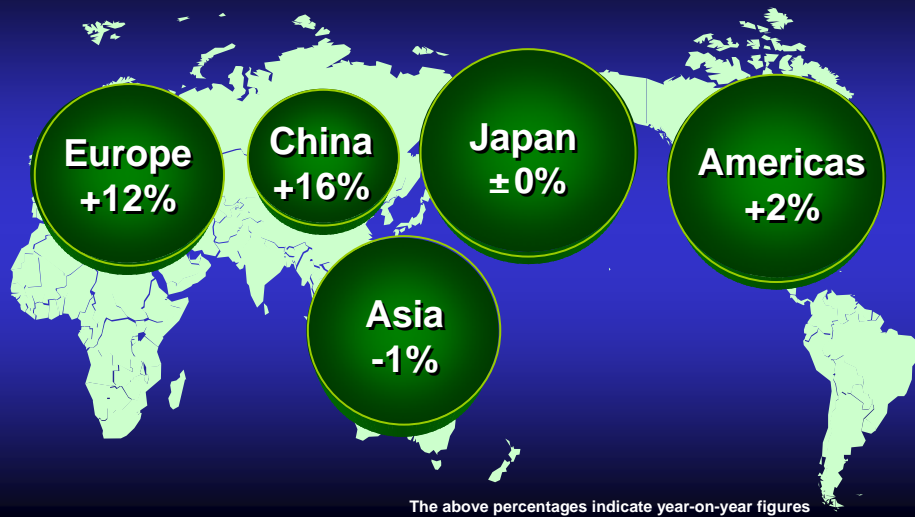
Quarterly Operating Profit Trend



First Half

Global Sales by Region

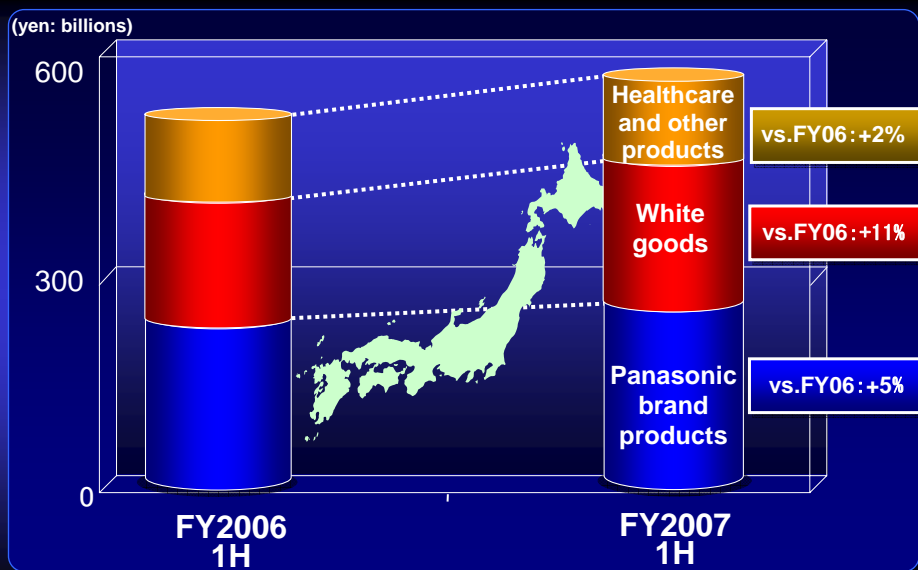
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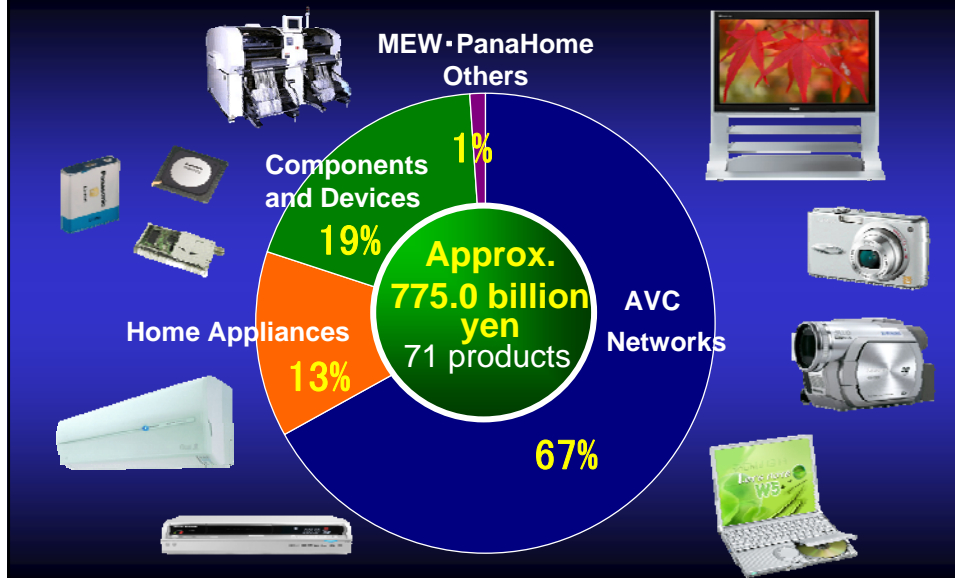
First Half

Sales of Consumer Products in Japan

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Sales of V-products

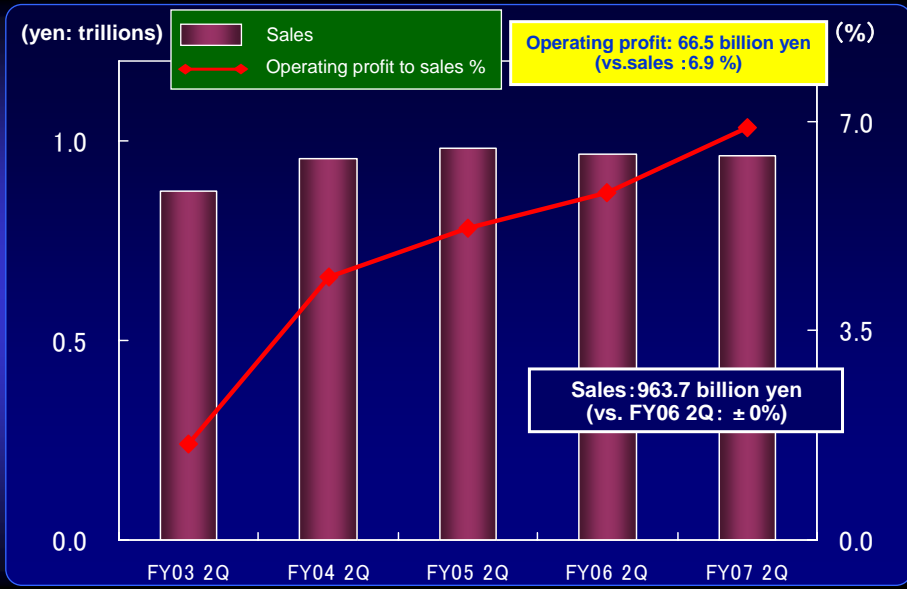


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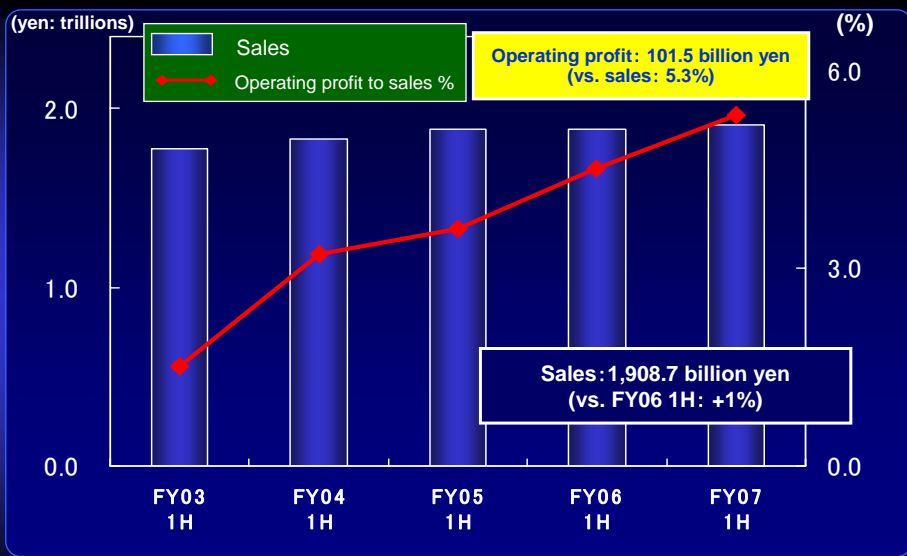
2nd Quarter

AVC Networks



First Half

AVC Networks



2nd Quarter**Results of Major Domain Companies**

13

	PAVC*		PCC**		PMC**	
	FY07 2Q	vs. FY06 2Q	FY07 2Q	vs. FY06 2Q	FY07 2Q	vs. FY06 2Q
(yen: billions)						
Sales	465.0	+20%	119.1	-5%	74.6	-35%
Operating profit	29.6	+44%	6.5	+27%	-0.3	+1.6
Operating profit/sales	6.4%	+1.1%	5.5%	+1.4%	-0.4%	+1.3%
Capital investment	51.4	+40.5	2.8	-0.2	1.8	+0.3

* PAVC results do not include sales, profit, etc. of domestic and overseas sales divisions.

** Results for PCC and PMC do not include sales, profit, etc. of certain overseas sales divisions.

First Half**Results of Major Domain Companies**

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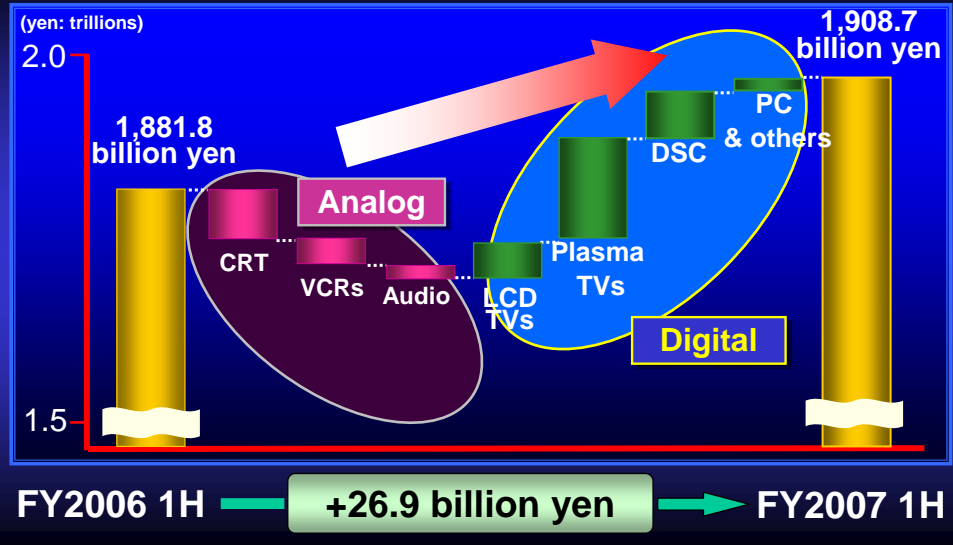
	PAVC*		PCC**		PMC**	
	FY07 1H	vs. FY06 1H	FY07 1H	vs. FY06 1H	FY07 1H	vs. FY06 1H
(yen: billions)						
Sales	894.4	+23%	235.9	-3%	179.6	-27%
Operating profit	42.0	+50%	11.4	+16%	0.7	+6.0
Operating profit/sales	4.7%	+0.8%	4.8%	+0.8%	0.4%	+2.6%
Capital investment	63.1	+43.1	5.5	+0.7	2.8	+0.6

* PAVC results do not include sales, profit, etc. of domestic and overseas sales divisions.

** Results for PCC and PMC do not include sales, profit, etc. of certain overseas sales divisions.

First Half Sales Analysis

AVC Networks Segment



First Half Sales of Flat-panel TVs



2nd Quarter

Home Appliances



First Half

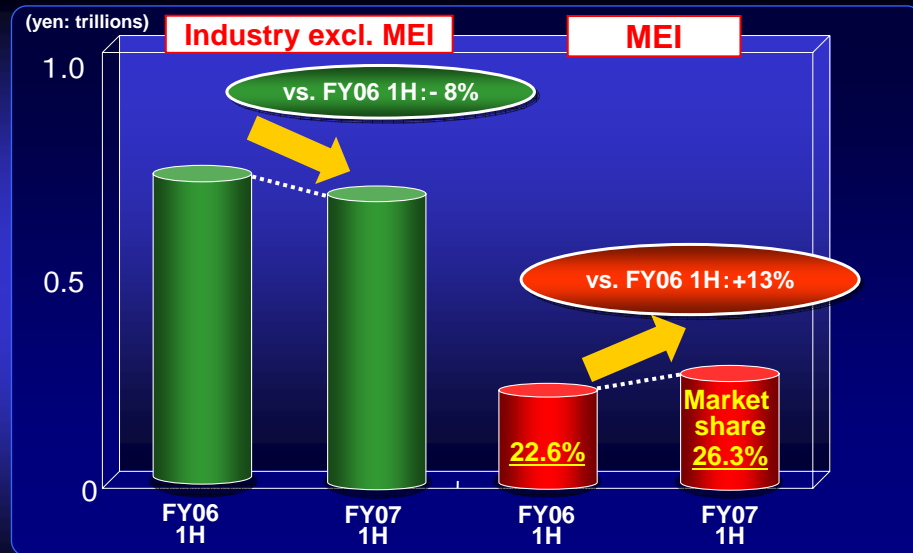
Home Appliances



First Half

Domestic White Goods Shipments

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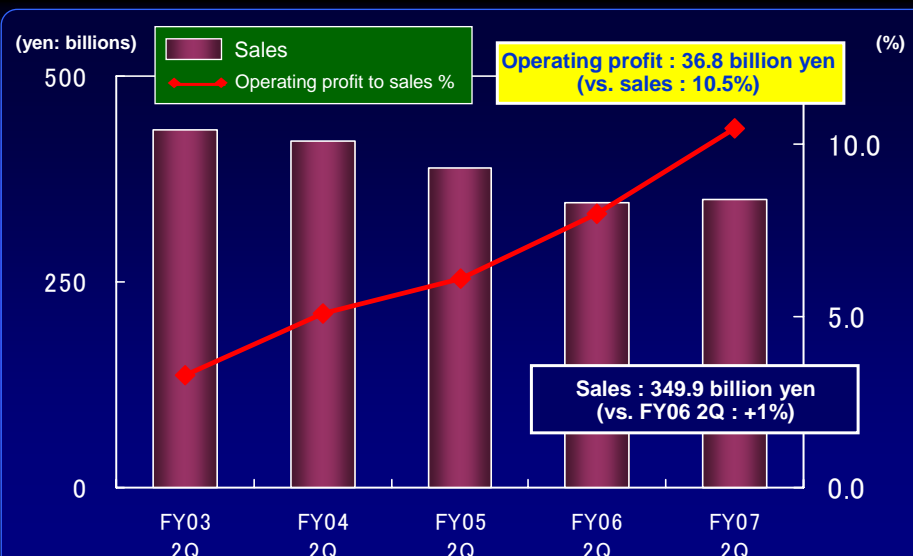


Source: The Japan Electrical Manufacturers' Association (value basis)

2nd Quarter

Components and Devices

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First Half

Components and Devices



PED *

2nd Quarter

(yen: billions)

	FY07 2Q	vs. FY06 2Q
Sales	122.0	+6%
Operating profit	10.8	+44%
vs. sales (%)	8.9%	+2.4%
Capital investment	10.5	+3.8

First Half

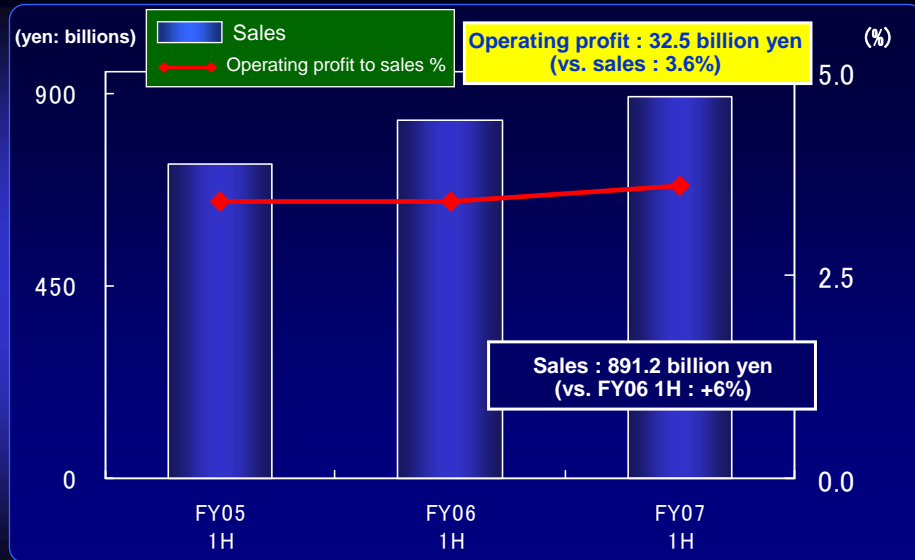
(yen: billions)

	FY07 1H	vs. FY06 1H
Sales	240.6	+6%
Operating profit	18.2	+52%
vs. sales (%)	7.6%	+2.3%
Capital investment	18.0	+5.6

* PED results do not include sales, profit, etc. of domestic and overseas sales divisions.

First Half

MEW and PanaHome



First Half

MEI / MEW Collaboration



**Maximizing synergy effects
44.3 billion yen sales increase**

First Half

JVC

25



First Half

Other

26



First Half

Operating Profit Trends

(vs. FY2006 1H)

↗ increase ↘ decrease

AVC Networks	↗	Flat panel TVs, digital cameras
	↘	CRT TVs, audio equipment, VCRs,
Home Appliances	↗	Air conditioners, refrigerators, washing machines
	↘	-
Components and Devices	↗	General components, Semiconductors
	↘	-
MEW and PanaHome	↗	Electrical construction materials, electronic and plastic materials
	↘	-
JVC	↗	Digital video cameras
	↘	Audio equipments
Other	↗	Factory automation equipment
	↘	-

First Half

Operating Profit Analysis
(vs. FY 2006 First Half)

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First Half

Pre-tax and Net Income Analysis

(yen: billions)

	FY07 1H	vs. FY06 1H
Operating profit	207.4	+36.3
Non-operating income/loss	25.1	+42.1
Financial income	5.8	+0.1
Early retirement charges	-4.3	+16.5
Other	23.6	+25.5
Pre-tax income	232.5	+78.4
Provision for income taxes	-99.7	-14.3
Minority interests	-17.9	-24.5
Equity in associated companies	0.2	+11.1
Net income	115.1	+50.7

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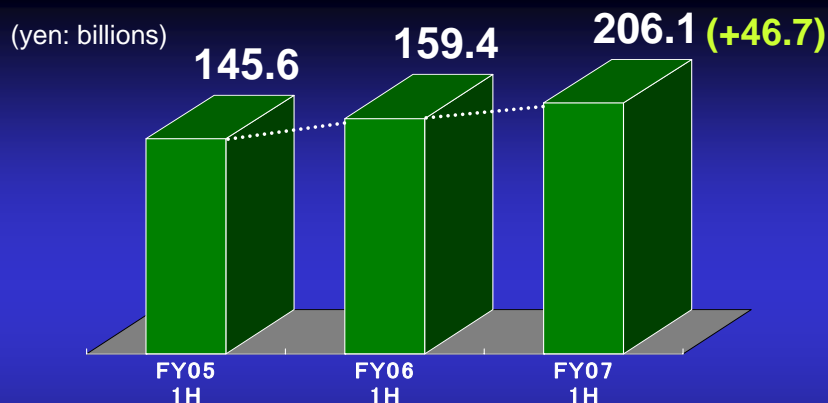
First Half

Inventories



First Half

Capital Investment



Priority Areas

	FY06 1H	FY07 1H
Semiconductors	45.0	30.0
PDP	9.9	47.1

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